
Financial Support for Higher Education Student Enrollment Growth in the Commonwealth

Presented to the Higher Education Advisory Commission

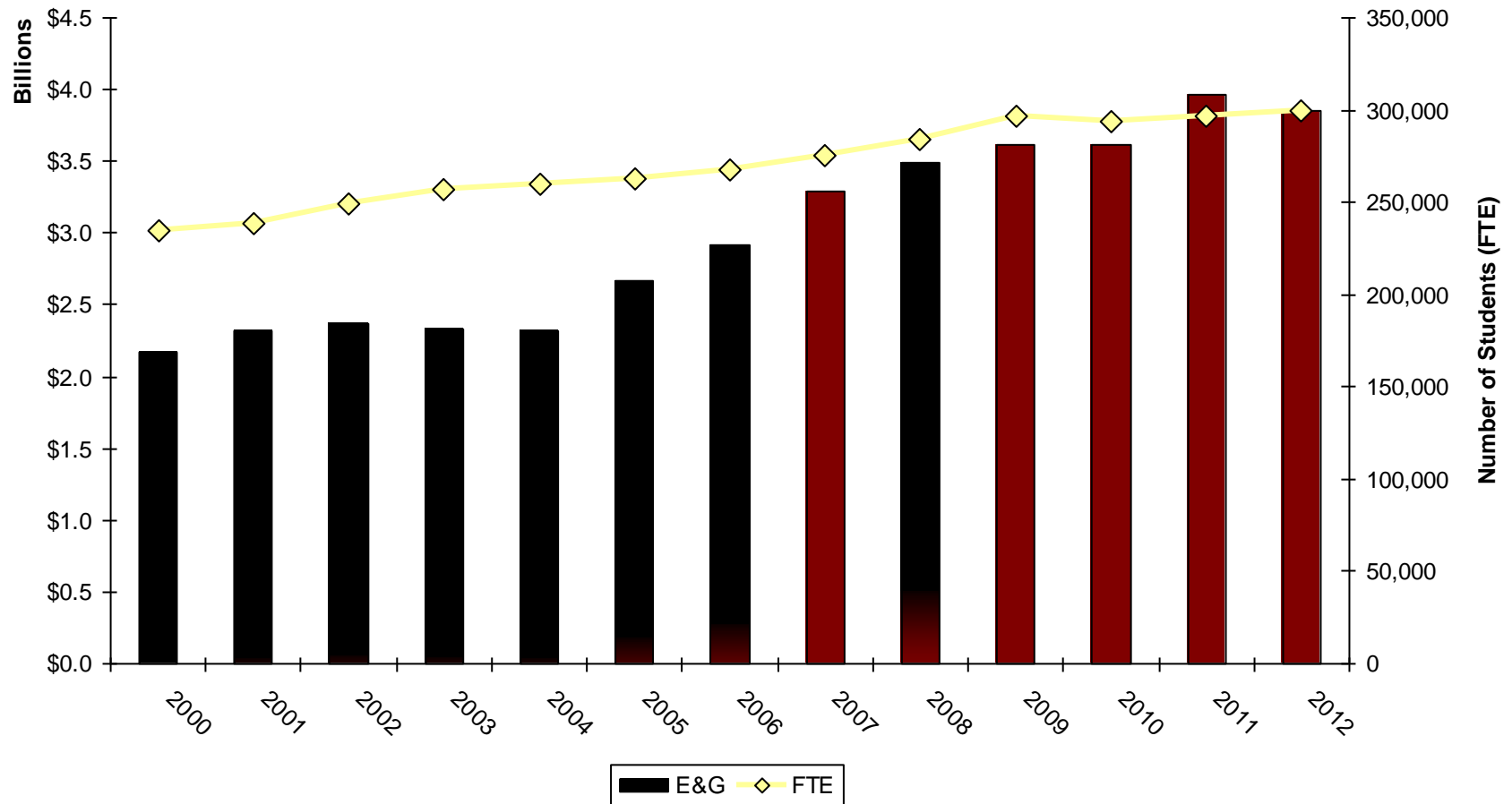
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Governor's Top Jobs Legislation (TJ-21) provides per student incentive funding for enrollment growth

- | Funding is to follow the student to the public or private Virginia institution of their choice
 - Significant enough to encourage institutions to grow their student populations to help achieve 100,000 degrees over next 15 years.
- | At present, the anticipated amount is to correlate to state funding provided through the Tuition Assistance Grant (TAG) Program to students attending private, not-for-profit, Virginia institutions.
 - Budget currently provides approximately \$2,650 per student for TAG.
- | Ideally, the per student amount should be provided immediately upon certification of enrollment levels.
- | Funding is to be a bridge until full costs are accommodated in the base adequacy calculations.

Both E&G support and FTE students have grown

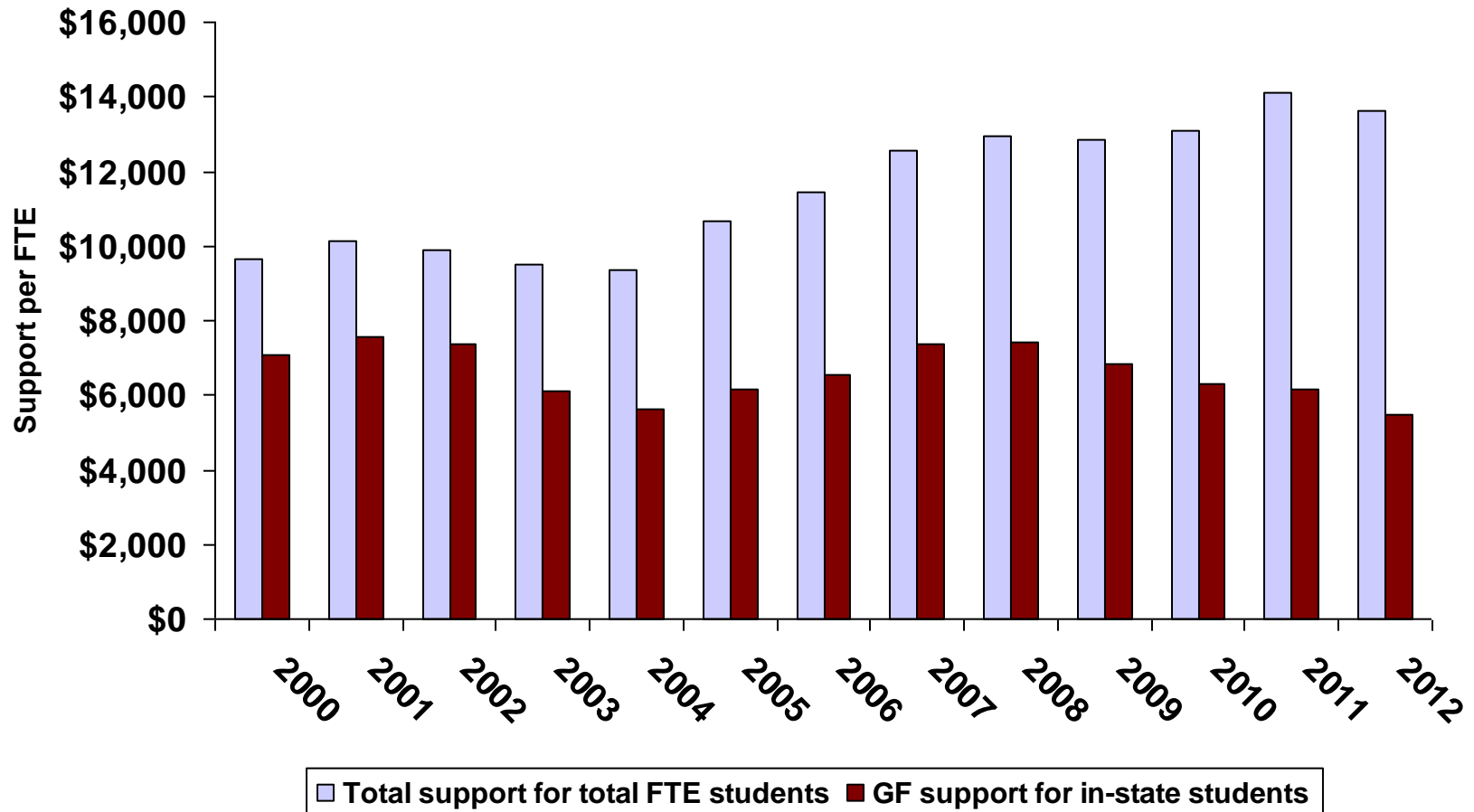


Notes: Data includes E&G and eminent scholar appropriation for 17 institutions, VIMS and extension services and FY 2010-12 are based on enrollment projections.

FY 2009-10 include budget reductions and FY 2010-11 includes SFSF appropriation.

FY 2011-12 include estimates for additional anticipated NGF revenue from tuition and fees and FY 2012 includes a 10% revenue adjustment for estimated tuition and fee increases.

General fund support per FTE in-state-student, though, is decreasing



Notes: Data includes E&G, eminent scholar, and financial aid appropriation for 17 institutions, VIMS and extension services. VCCS nongeneral fund financial aid not included.

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FY 2011-12 include estimates for additional anticipated NGF revenue from tuition and fees. FY 2012 includes a 10% revenue adjustment for estimated tuition and fee increases.

Which enrollment numbers should be used?

Possible scenarios to use:

- | Annual count based on actual FTE.
 - Funding delayed by one year; provided when FTE met; data available in September. Similar approach to base adequacy calculation.
- | Annual count based on projected FTE.
 - Funding provided for each year based on anticipated FTE; removed if not met.
- | Annual count based on fall and spring estimated FTE.
 - Funding provided twice each year based on September data and potentially updated spring data.
 - Need to create spring report.

What base year should be used to show growth?

- | Legislation passed in 2011 General Assembly Session.
 - Argues potentially for FY 2011 as the base year.
 - Could use FY 2012 as base year to coincide with funding in new 2012-14 biennial budget.
- | Legislation acknowledges that the Governor *shall* consider and recommend as he deems appropriate additional general fund appropriation to address the unfunded enrollment growth that occurred between the 2005-2006 fiscal year and July 1, 2011.
- | Many schools grew the last ten years without funding provided for additional enrollment.
 - Would be more expensive to fund.
 - Different schools benefit differently depending on the year chosen.

Enrollment funding formula challenges:

- | Establish Base Year
- | Determine enrollment numbers used
- | Decide whether to address diversity between institutions
 - Should we account for ability of school to raise tuition or provide appropriate share (fund split)?
 - Should we account for the financial need of institution's student population?
 - Should we account for the type of student?
 - Should we link funding to outcomes other than just enrollment (i.e., reward for retention and graduation)?